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February 5, 2018

Herbert Smith Manager

RE: House Bill 5456, Asbestos Bankruptcy Trust Claims Transparency Act

Dear Members of the Michigan House of Representatives,

Norfolk Southern Corporation strongly supports the proposed Asbestos Bankruptcy Trust Claim Transparency Act. This legislation would provide much needed transparency between the bankruptcy trust and tort systems utilized by plaintiffs injured as a result of asbestos exposure. The intent of the proposed legislation is not to deter or discourage plaintiffs from pursuing legitimate claims against companies for asbestos-related injuries, but merely to ensure that plaintiffs timely file and disclose all trust claims before trial in a civil action to ensure that the fact-finder tasked with allocating responsibility has full knowledge of all potential exposures.

This legislation is necessary because, unfortunately, the defendant's right to request information regarding the sources of plaintiff's alleged exposures through traditional discovery requests is insufficient to ensure full disclosure and transparency. Currently, a dishonest plaintiff can avoid disclosing an alternate or additional source of exposure by simply walting until after the tort litigation is concluded to file a trust claim against an insolvent company. This prevents the decision-maker from fairly allocating liability among multiple companies potentially responsible for the asbestos exposures. In addition, the attorneys responsible for pursuing inconsistent and fraudulent claims are not always subject to the policing powers of the courts, particularly if the culpable attorney utilizes local counsel to litigate the tort action in a state where the culpable attorney is not barred.

By requiring plaintiffs to disclose all potential sources of exposure at the beginning of the litigation, the proposed legislation should both help protect asbestos trusts from fraud, and also deter plaintiffs from filing lawsuits for damages which have already been recovered against insolvent companies. Therefore, this legislation would not only preserve the funds available in the trusts for future claimants, but also decrease the additional burden that fraudulent claims have placed on the court dockets. Norfolk Southern Corporation encourages Michigan to follow the path set by several other states, including Ohio, Oklahoma, Wisconsin, West Virginia, and Arizona, by passing the proposed Asbestos Bankruptcy Trust Claim Transparency Act.

Very truly yours,

Herbert Smith